

**House File 220 - Introduced**

HOUSE FILE 220

BY JONES

**A BILL FOR**

1 An Act providing for recovery by the Iowa finance authority  
2 of certain monetary penalties imposed by the national  
3 collegiate athletic association or an affiliated athletic  
4 conference and providing penalties.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 16.230 Recovery of certain athletic  
2 association penalties — account.

3 1. For purposes of this section, "*athletic association*"  
4 means the national collegiate athletic association or an  
5 affiliated athletic conference.

6 2. *a.* A postsecondary institution in this state that is  
7 subject to a monetary penalty by an athletic association which  
8 penalty directly resulted from the actions of an individual  
9 employed by the institution and that has exhausted all appeals  
10 or other remedies to which the institution is entitled under  
11 athletic association rules and procedures or made a binding  
12 decision not to pursue further appeals or other remedies shall  
13 submit documentation of all of the following information to the  
14 authority:

15 (1) The imposition of the penalty.

16 (2) The amount of the penalty.

17 (3) The exhaustion of or binding decision not to pursue all  
18 appeals or other remedies to which the institution is entitled  
19 under athletic association rules and procedures.

20 (4) The name and contact information of the individual whose  
21 actions directly resulted in the imposition of the penalty.

22 (5) The underlying circumstances that resulted in  
23 imposition of the penalty.

24 *b.* The authority may request that the institution submit  
25 additional documentation sufficient for the authority to verify  
26 all of the information required under paragraph "*a*". The  
27 authority may take other appropriate actions necessary to  
28 verify the information required under paragraph "*a*".

29 3. If, after the procedures provided in subsection 1 have  
30 been completed, the authority determines by a preponderance of  
31 the evidence that a postsecondary institution in this state  
32 has been subject to a monetary penalty imposed by an athletic  
33 association which penalty directly resulted from the actions  
34 of an individual employed by the institution and that the  
35 institution has exhausted all appeals or other remedies to

1 which the institution is entitled under athletic association  
2 rules and procedures or has made a binding decision not to  
3 pursue further appeals or other remedies, the authority shall  
4 assess a civil penalty on the individual in the amount of the  
5 monetary penalty imposed on the institution.

6 4. The authority shall notify the individual of the  
7 authority's determination and the proposed civil penalty by  
8 service by both regular mail and certified mail. If within ten  
9 working days from receipt of the first notice the individual  
10 fails to notify the authority that the individual intends  
11 to contest the authority's determination or the proposed  
12 assessment, the penalty, as proposed, shall be deemed final  
13 agency action for purposes of judicial review. Judicial review  
14 of final agency action pursuant to this section may be sought  
15 in accordance with the terms of section 17A.19. A contest of  
16 the authority's determination or the proposed assessment of the  
17 civil penalty and any further appeal shall be conducted as a  
18 contested case proceeding under chapter 17A.

19 5. After the time for seeking judicial review has expired  
20 or after all judicial review has been exhausted and the  
21 authority's determination and proposed assessment have been  
22 upheld, if the individual does not pay the civil penalty to the  
23 authority in full within ten working days, the authority shall  
24 commence an action in district court to enforce payment of the  
25 civil penalty or may seek to collect payment pursuant to the  
26 setoff program as provided in section 8A.504.

27 6. The authority shall deposit all civil penalties  
28 recovered pursuant to this section in the recovery account  
29 established by this section.

30 7. Upon deposit of a civil penalty recovered pursuant  
31 to this section in the recovery account established by this  
32 section, the authority shall promptly notify the postsecondary  
33 institution on which a monetary penalty was imposed by an  
34 athletic association which penalty directly resulted from the  
35 actions of the individual from whom the civil penalty was

1 recovered that the civil penalty was successfully recovered.  
2 The institution shall designate in writing to the authority a  
3 means of transferring the funds. The authority upon receiving  
4 such notification shall transfer from the recovery account to  
5 the institution an amount equal to the monetary penalty imposed  
6 on the institution. The authority shall transfer the funds to  
7 the institution by the means designated. The authority shall  
8 adopt rules pursuant to chapter 17A providing for procedures  
9 for accounting of funds and transferring funds, including  
10 acceptable means of transferring funds that an institution may  
11 designate.

12 8. A recovery account is established within the authority  
13 for the uses permitted by this section. The authority shall  
14 administer the account.

15 9. The authority shall describe its activities pursuant  
16 to this section in its annual report to the governor and the  
17 general assembly pursuant to section 16.7.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill requires a postsecondary institution in this  
22 state that is subject to a monetary penalty by the national  
23 collegiate athletic association (NCAA) or an affiliated  
24 athletic conference, which penalty directly resulted from the  
25 actions of an individual employed by the institution, if the  
26 institution has exhausted all appeals or other remedies to  
27 which the institution is entitled under NCAA or conference  
28 rules and procedures or has made a binding decision not  
29 to pursue further appeals or other remedies, to submit  
30 documentation of certain information relating to the NCAA  
31 or conference penalty to the Iowa finance authority. The  
32 authority may request additional documentation or take other  
33 appropriate actions necessary to verify the information.

34 The bill requires the authority to assess a civil penalty  
35 on the individual whose actions directly resulted in the

1 imposition of the monetary penalty on the institution in  
2 the amount of the monetary penalty imposed if the authority  
3 determines, by a preponderance of the evidence, that the  
4 institution has been subject to a monetary penalty by the NCAA  
5 or an affiliated conference which penalty directly resulted  
6 from the actions of an individual employed by the institution  
7 and that the institution has exhausted all appeals or other  
8 remedies to which the institution is entitled under NCAA or  
9 conference rules and procedures or has made a binding decision  
10 not to pursue further appeals or other remedies.

11 The bill requires the authority to notify the individual of  
12 the authority's determination and the proposed civil penalty.  
13 The individual has 10 working days from receipt of the notice  
14 to notify the authority that the individual intends to contest  
15 the authority's determination or the proposed assessment, or  
16 the penalty, as proposed, shall be deemed final agency action  
17 for purposes of judicial review. Judicial review of final  
18 agency action pursuant to the bill may be sought in accordance  
19 with the terms of Code chapter 17A, the Iowa administrative  
20 procedure Act. A contest of the authority's determination or  
21 the proposed assessment of the civil penalty and any further  
22 appeal shall be conducted as a contested case proceeding under  
23 Code chapter 17A.

24 After the time for seeking judicial review has expired  
25 or after all judicial review has been exhausted and the  
26 authority's determination and proposed assessment have been  
27 upheld, if the individual does not pay the civil penalty to the  
28 authority in full within 10 working days, the bill requires the  
29 authority to commence an action in district court to enforce  
30 payment of the civil penalty or to seek payment pursuant to the  
31 setoff program administered by the department of administrative  
32 services.

33 The bill establishes a recovery account within the  
34 authority, to be administered by the authority, for the uses  
35 permitted by the bill. The bill requires the authority to

1 deposit all civil penalties recovered pursuant to the bill in  
2 the account.

3     The bill requires the authority to promptly notify the  
4 institution on which a monetary penalty was imposed by the  
5 NCAA or an affiliated conference which penalty directly  
6 resulted from the actions of the individual from whom the civil  
7 penalty was recovered that the civil penalty was successfully  
8 recovered. The bill requires the institution to designate  
9 a means of transferring funds in an amount equal to the  
10 monetary penalty imposed on the institution from the account  
11 to the institution upon receiving such notification. The bill  
12 requires the authority to transfer the funds to the institution  
13 by the means designated. The bill requires the authority  
14 to provide by rule for procedures for accounting of and  
15 transferring funds, including acceptable means of transferring  
16 funds that an institution may designate.

17     The bill requires the authority to describe its activities  
18 pursuant to the bill in its annual report to the governor and  
19 the general assembly.